



Washington State Department of Agriculture News Release

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WASHINGTON STATE DEPARTMENT OF AGRICULTURE

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Risk management tools

New federal crop insurance key business tool for farmers; May workshops scheduled

OLYMPIA — Economic pressures in the tree fruit industry and with other commodities are forcing growers to look for new ways to protect their financial future. Workshops sponsored by the state Department of Agriculture next month will offer farmers an opportunity to learn about subsidized insurance products that can be effective business tools that protect growers' income.

The USDA Risk Management Agency has several pilot programs available in 11 Eastern Washington counties that are showing promise in assisting farmers. Growers can find information to sort out insurance needs at one of the free workshops sponsored by WSDA and others at the following locations:

- Tri Cities WSU Auditorium 1:00 p.m. May 16
- Yakima Valley CC Auditorium 1:00 p.m. May 21
- Wenatchee Valley CC Theatre 1:00 p.m. May 22
- Okanogan County Fairgrounds 1:00 p.m. May 30

"We're working to attract as many growers as possible to understand these new insurance products," said Dennis Fiess, WSDA education specialist based in Spokane. "Our goal is to enable farmers to make better decisions about using crop insurance as a part of their risk management strategy."

Crop insurance is not the "silver bullet" that will solve all of the industries problems, but it can be a good tool for growers to use to spread the risk that is inherent in agriculture.

Washington growers insured more than 60 percent of the state's apple crop in 2001, according to Fiess. Many growers purchased catastrophic insurance coverage for their crop because it was inexpensive and satisfied the requirements from their banker.

"When the devastating storm hit the Yakima Valley last June, too many found out too late that they did not have the coverage they, and their banker thought they had," Fiess said. "Several of the new products, including Adjusted Gross Revenue insurance would have provided much better protection," Fiess added. The Adjusted Gross Revenue insurance plan is being pilot tested in several states. It uses the average revenue reported on farmers' federal income tax return to provide a level of guaranteed revenue.

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Each workshop will include an overview of all the available crop insurance products, along with guidelines that growers might use to help them decide which policy, or combination of policies, will best serve their needs and resources. Information will be provided by the USDA Risk Management Agency, insurance industry representatives, accountants, bankers and fruit growers.

Farmers in Adams, Benton, Chelan, Douglas, Franklin, Grant, Kittitas, Klickitat, Okanogan, Walla Walla, and Yakima counties are eligible to participate in the program.

For more information, contact Dennis Fiess at (509) 477-2196 or dfiess@spokanecounty.org

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